

PROFESSIONAL QUALIFICATION RECOGNITION IN THE EU BANKING SECTOR

The Institute of Banking Education of the National Bank of Slovakia has been a long-time member of the European Bank Training Network (EBTN), a non-profit organization founded in 1991. The EBTN associates organizations that provide training for bank employees, and employees from the wider financial services sector, in the European countries. There are also associate members representing organizations from non-European countries.

One of the main objectives of the EBTN is to accredit providers of the training and education in the financial services sector that meet the stipulated criteria and quality standards, and to certify the competences and professional qualifications attained by employees in this sector. The EBTN in fulfilling this objective is focusing primarily on the European Union area with its regulatory framework, within which recently there have been increasing efforts to integrate the European financial services market and to facilitate mutual recognition of diplomas, certificates and other evidence of professional qualification.

The first important step towards setting up a comprehensive and transparent system of the accreditation and the certification within the financial services sector has been the introduction of the European Foundation Certificate in Banking (EFCB). The certificate represents the result of joint work of the EBTN members, and it is gradually being implemented under identical conditions in all the European countries. The EBTN member institutes accredited by the EBTN Accreditation Committee are authorized to run the exams in accordance with the Accreditation Model and the Standard Examination Model, and to award the European Foundation Certificate in Banking – valid across Europe – to the successful examinees.

The NBS Institute of Banking Education was accredited in January 2005 and thus became the only institution in Slovakia (and the ninth in Europe) to be authorized in this respect. In 2005, the Institute launched its first educational programme aimed at providing preparation for the EFCB exam and it conducted the first exam in December of that year.

At the awards ceremony for the first EFCB recipients, we interviewed the EBTN President Mario Spatafora



Mario Spatafora, EBTN President

about the EBTN activities and his own views on the current development of bank training and the recognition of qualifications in the banking and financial services sector. In the EBTN, Mr. Spatafora at the same time represents the EFFEBI, Rome-based association focused on organizational development and human resources, which operates within Italy's banking and financial services sector.

How do you, as the EBTN President, perceive the importance of bank employees' education and training in the context of the future development of banking in the European Union?

My personal perception on the importance of bank employees' education and training is that it is particularly relevant and aimed to accompany and facilitate the increasing macro-level regulation process occurring within the European Financial Services Market. This is mainly focused on eliminating systemic risks and enhancing customer protection. A recent study of Bank of Italy on "The private and social return to schooling in Italy" demonstrates that the individual return to education compares favourably to the return to financial assets. At the social level, the available infrastructure-capital data indicates that the return to education also exceeds that to infrastructures.

Could you specify the role and the priorities of the EBTN in the banking and financial sectors employees' education and training?

EBTN in 2003 promoted, among its Members, the European Foundation Certificate in Banking (EFCB, corresponding to European Quality Framework levels 2-3) and it has been managing it since then. The EFCB represents the first concrete attempt made by EBTN to build up a common language for banking qualifications in Europe. One of the main priorities of EBTN is an effort to increase integration of the European financial services market also through training and education activities. In this respect EFCB offers an initial, first-level path for acquisition of business-oriented qualifications, which are modern, practical and forward-looking.

Of what significance is the EFCB to the EBTN member Institutes, which have already implemen-



ted this project? What does it mean for the rest of the EBTN members?

For the EBTN member Institutes that have already implemented this project, EFCB means a need-driven certification system, which focuses on the link between client needs and the banking solution that can be tailor-made for them by financial institutions operating on the European market. The main value of the certification lies in the fact that it brings together best experiences and best practices from national European markets and moulds them together into well-integrated and market-driven qualification requirements.

For all other EBTN members, on a more strategic level, EFCB aims to foster work mobility within the European Financial Services market, transparency and comparability of employee qualifications so to facilitate recognition of individual knowledge and skills confirmed by a uniform European Certificate in Banking.

What is, in your experience, the recognition and acceptance of the EFCB certificate by the banks in the countries where the EFCB has already been implemented, and what recognition and acceptance has it generally reached at the European level?

Until now EFCB Certificates issued are more than 1300 in only one year and half. During 2006 it is estimated to print much more than 2000 certificates. This clearly means that there is a great interest from the Banking Sector in this prestigious European Certificate. The Institutes already accredited are 15 (in 12 Countries) but in this year further 5/6 Institutes in different countries will be accredited. The current EFCB, leading to the first level European banking qualification, is requested by banks being finalized to help young bankers develop their professional careers in a reliable and recognised way. This will support better and wider market integration, improvement of the quality of services and increased competitiveness of the market as a whole.

Could you describe the current situation in the accreditation process of Banking Training Institutes upon the completion of which they should be given the right to run the exams and award the EFCB certificates?

EFCB is also about building up a common language for banking qualifications consisting of two main pillars: the Standard Examination Model (SEM) and the Accreditation System (AS). The year 2006 will be a very important year for the EFCB system, with the progressing accreditation. EFCB should be well represented in a majority of European Countries and also outside Europe. This implies that a great number of Banking Institutes are adapting and integrating their own training courses to be in line with the requisites for running the exams and for giving the certificates to the participants that have passed the examination.

What interesting projects is the EBTN considering to support and/or to take part in in the near future?

One of the real very interesting project that the EBTN Board has decided to develop and to coordinate is the European project "CERTIFICATION & ACCREDITATION SYSTEM FOR FINANCIAL SERVICES SECTOR EDUCATION AND TRAINING (CERTIFIED)". This project aims at the creation of a new system for the certification of competences and the accreditation of training providers in the Financial Services Sector in the EU. This certification and accreditation system responds to the need for common competences and qualifications frameworks at sectorial level, coherently with key policy milestones as:

- The European Qualifications Framework for Lifelong Learning (EQF) and the key principles of the European Quality Framework for VET;
- The EU Directive 2005/36/EC on the Recognition of Professional Qualifications;
- EU Bank Social Partners Joint Declaration on Lifelong Learning in the Banking Sector – February 2002.

It will explore the key segments of the Financial Services Sector – banking, insurance, investment and capital market – and will provide European certificates for competences corresponding to EQF levels 4 and 5 (which translates into expert employees and middle managers working in the Financial Services Sector). The methodology elaborated to design these certificates may be applied for the creation of certificates for other levels. EBTN, being a European network made of 35 banking and financial training institutes in Europe, guarantees a successful implementation and dissemination of the project outcomes.

The key features of the CERTIFIED system will be: innovation, transparency, self-sustainability, and high professional standards achieved through an in-built quality assurance mechanism. In this respect, the CERTIFIED system will be designed to have a powerful impact on the mobility of employees working in the Financial Services Sector. It should aid the quality of service in the market and its competitiveness vis-à-vis other global financial markets.

In conclusion, EBTN – according to the "Copenhagen Declaration" – will pursue, through enhanced cooperation in vocational education and training, the main priorities of "European Dimension", "Transparency, information and guidance" and "Recognition of competences and qualifications" with the aim of improving closer cooperation, partnerships and other transnational initiatives.

**Thank you for the interview
Ľudmila Lipovská**

COOPERATION BETWEEN THE NATIONAL BANK OF SLOVAKIA AND THE NATIONAL BANK OF UKRAINE

Relationship with the Ukraine belongs to the priorities of the Slovak Republic foreign policy. A crucial field of the mutual cooperation is the assistance of Slovakia in the fulfilment of Ukraine's ambitions concerning integration to the European Union.

On February 16, 2006, the National Bank of Slovakia (NBS) and the National Bank of Ukraine (NBU) concluded a cooperation agreement for the year 2006, in line with Slovakia's foreign policy priorities and within the terms of the Ukraine-EU Action Plan. The agreement covers specific training events aimed at the professional development of the NBU employees. In accordance with the educational content and objectives, the training events will be led by experts from the specialised departments of the NBS and will be held in both Bratislava and Kiev.

The cooperation agreement was signed on behalf of the NBU by Ihor M. Ivanyuk, director of the Personnel Department, and on behalf of the NBS by Ing. Dušan



Garay, CSc., director of the Institute of Banking Education Department.

Implementation of the cooperation agreement will represent a significant expression of the NBS's position as a provider of the foreign technical assistance in accordance with Slovakia's foreign policy.

Ing. Dušan Garay, CSc., Photo: Pavel Kochan

TRAINING IN ACCORDANCE WITH THE EUROPEAN CRITERIA



The Governor of the National Bank of Slovakia, Ivan Šramko, presented the internationally recognized certificates EFCB (European Foundation Certificates in Banking) to the participants, who successfully completed the Distance Learning course organised by the Institute of Banking Education of the NBS. The ceremony of the course's official conclusion took place at the NBS headquarters in Bratislava on March 10, 2006, and President of the European Bank Training Network (EBTN), Mario Spatafora, also took part in it. The EFCB project is a response to current needs in banking and financial practice in the European countries and represents a contemporary model of the banking.

The Institute of Banking Education of the NBS is the only institution in Slovakia to provide this European training project, having been accredited to do so by the EBTN international organization following fulfilment of the strict criteria. The project is being implemented according to the same standards in all the countries where bank training institutions have already been accredited, i.e. it is the same for example in Italy, Ireland, Poland or Portugal.

Standardization of the training concerns above all the content profile, target group of participants, the duration, content and form of the final exam, the pass criteria, and the criteria for reliability, acceptability and transparency.

A second run of the four-month course was launched on the same day. Provided in the Slovak language, it offers bank employees a broad spectrum of the latest knowledge regarding the economic, monetary and banking environment of the European Union, bank products and services for retail, corporate and institutional clientele, assets and liabilities management, as well as banking ethics, marketing and management.

Since its establishment in 1991, the Institute of Banking Education of the NBS has prepared, through various forms of training, almost 32,000 qualified bank employees for banking and financial practice.

PhDr. Ivan Paška, Photo: Pavel Kochan